

NORTH CAROLINA EDUCATION LOTTERY

INVITATION TO BID

**Lottery Prize Annuity Funding And Related Services
ITB #LC-000015**

QUESTIONS AND ANSWERS

- 1. Which would be considered the Vendor, the agent or insurance carrier through whom the quote is prepared?**

A. If the Vendor is an agent or insurance carrier that meets or exceeds the minimum qualifications as specified under the ITB, the Contract will be with that Vendor. If the agent is acting on behalf of an insurance carrier that meets or exceeds the minimum qualifications as specified under the ITB, the agent shall be required to provide verification of its authority to contract on behalf of the insurance carrier if the funding will be provided by the insurance carrier.

- 2. Would you consider an insurance company rated A by AM Best?**

A. No.

- 3. If the parent insurance currently has 1 trillion dollars in assets and is rated A+ by AM Best, but the USA division is rated A by AM Best and does not have a Fitch rating, would the NCEL consider and accept such an A-rated insurance company within a larger corporation?**

A: Yes, if the parent insurance company will guarantee the performance of any Contract awarded to the A-rated insurance company.

- 4. According to the ITB, the Vendor may not have a rating below a certain level from any of these three (3) major rating firms: Fitch, Moody's, and Standard & Poor's. Although, the Vendor must have ratings from at least three (3) of the four (4) major rating companies with one (1) of the three (3) being an AM Best rating.**

Please confirm that the NCEL's intent is that the Vendor may not have a rating below the following from any two (2) of the three (3) major rating firms:

- o Fitch: AA**
- o Moody's: Aa2**
- o Standard & Poor's: AA**

A. Yes.

- 5. Would you consider an insurance company not rated by one of the major rating firms, such as Fitch?**

A. Yes, if the vendor satisfies the rating requirements for the remaining three (3) rating firms (AM Best, Moody's and Standard & Poor's).